

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: REVISIONS TO CONSUMER SERVICES RULES [199 IAC 19.4(10), 19.4(13), 19.4(15), 19.4(16), 20.4(11), 20.4(13), 20.4(15), and 20.4(16)]	DOCKET NO. RMU-04-2
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ORDER COMMENCING RULE MAKING

(Issued May 21, 2004)

Pursuant to the authority of Iowa Code §§ 17A.4, 476.1, 476.2, and 476.20 (2003), the Utilities Board (Board) proposes to amend its consumer service rules as reflected in the "Notice of Intended Action" attached hereto and incorporated herein by reference. The proposed amendments are the result of a review conducted by the Board to address issues facing consumers who cannot pay their utility bills. The proposed amendments also address issues raised by the Consumer Advocate Division of the Department of Justice (Consumer Advocate) related to second payment agreements in Docket No. RMU-03-12. This proceeding has been identified as Docket No. RMU-04-2.

The Board has not proposed amendments to address the issues raised in the rule making filed by the Iowa Community Action Association related to the temperature trigger below which a customer cannot be disconnected in Docket No. RMU-03-10. The main issue raised by that rule making is how to provide winter moratorium protection from disconnection to low-income customers who are eligible

for energy assistance but do not apply and, therefore, are not certified. Based upon comments received, it appears the community action agencies do not have the resources to process a significant increase in the number of low-income customers. The Board is discussing with other state agencies and participants possible alternatives to address these issues.

The proposed amendments in this rule making and the support for the proposed amendments are discussed below:

19.4(10) and 20.4(11)

The Board proposes to amend the rules concerning payment agreements to require utilities to offer a customer a second payment agreement under certain conditions. In Docket No. RMU-03-12, Consumer Advocate proposed a blanket requirement that all customers in default of a first payment agreement would be offered a second payment agreement extending only to the next October 15. The purpose of the proposed amendment was to provide additional protection for low-income customers.

The Board issued an order on April 6, 2004, terminating the rule making in Docket No. RMU-03-12. Many of the comments filed by utilities in the rule making opposed the proposed amendment because of the costs that would have to be borne by other customers and the alleged ambiguity in the current rule concerning whether the provision applies to all customers or only to low-income customers who were certified for energy assistance. This ambiguity complicates consideration of the proposed amendment, since a requirement to offer only energy assistance customers

a second agreement would have affected far fewer customers than a requirement to offer the second agreement to all customers in default on a first payment agreement. If the proposed amendment applied only to energy assistance customers, it would not protect a substantial portion of low-income customers.

In its April 6, 2004, order, the Board stated that consideration of the proposed amendment was also complicated by the proposal to retain the language limiting the second agreement to a period ending the next October 15. By retaining this limitation, the second agreement would be spread over only six months and the customer would have to pay the current bill in addition to the agreed-upon payment. The result would be to compress the arrearage over a six-month period when the customer had already been unable to stay current with a 12-month plan with lower payments.

The statistics provided by the utilities in the rule making showed that under the current provisions, energy assistance customers are given many opportunities to retain service. This is accomplished by offering reasonable first payment agreements, followed by second agreements in cases where the customer is making an effort to make payments. The Board determined that adopting the proposed rules and requiring utilities to provide a second agreement to customers could result in utilities taking a more restrictive approach to first agreements and being less flexible when working out initial payment arrangements.

In addition, the Board determined that a mandatory second agreement would only provide a benefit to a limited number of customers and could cause some customers to accumulate even bigger debts that could ultimately increase rates to other customers. Insufficient information was provided on some of the issues raised by the proposed amendment and the Board terminated the rule making to allow for accumulation of additional information.

One of the primary goals of the cold weather rules is to provide winter disconnection protection for low-income customers. Many of these customers are not protected under the current energy assistance program. The Board is proposing to amend the cold weather rules to include additional protection for low-income customers and to balance that protection with conditions that should enable utilities to recover unpaid utility bills, to the extent possible.

The Board considers the requirement of a second payment agreement to be one feature of cold weather rules that will provide additional protection to low-income customers. The Board is proposing an amendment that would require a utility to offer a second payment agreement to a customer who defaults on a first payment agreement under certain conditions. These conditions reflect the information presented in Docket Nos. RMU-03-10 and RMU-03-12 indicating that many low-

income customers pay at least a portion of their heating bills during the winter months.

The Board is proposing that a utility be required to offer a second payment agreement to a customer who has defaulted on a first payment agreement if the customer has made at least two payments on the first payment agreement or has paid at least 33 percent of the past due amount, whichever is greater. The Board is proposing to limit the amount of each payment under the second agreement to the same payment made under the first agreement in order to provide a more reasonable opportunity for the customer to fulfill the second agreement. To balance this requirement, the Board is proposing to allow the utility to require the first payment for the second agreement up-front as one of the conditions for approving a second payment agreement.

The proposed amendments cover all customers, not just those certified for energy assistance. The proposed amendments also remove the limitation of October 15. These proposed amendments will balance the need of many low-income customers for protection while ensuring that the utility will ultimately receive some, if not all, of the past due payments.

19.4(13)"e" and 20.4(14)"f"

The Board proposes to amend paragraphs 19.4(13)"e" and 20.4(14)"f" to clarify the maximum amount a customer can be back billed when the customer has been undercharged for utility service. The proposed maximum amount is the dollar amount equivalent to the tariff rate for the same or equivalent services. The

language in the current rule is not clear that any back bill is to be calculated based upon the tariff rate for the same or equivalent service.

19.4(15) and 20.4(15)

The Board is proposing to amend 19.4(15)"d"(3) and 20.4(15)"d"(3) by renaming the "Rights and Remedies" notice the "Rights and Responsibilities" notice to reflect that the customer has certain responsibilities related to the protections provided in the cold weather rules. The Board is also proposing to update the "Rights and Responsibilities" notice to reflect changes in other provisions of the cold weather rules.

The Board is proposing to amend subparagraph 19.4(15)"d"(4) and 20.4(15)"d"(5) to require that a utility post a residence within 24 hours prior to disconnection during the winter moratorium when the utility has not been able to make contact with the customer and the customer occupies the rental unit. Under the current rules, the utility is required to make a diligent effort to contact all residential customers prior to disconnection and, if contact is not made, the utility is required to contact the landlord of a rental unit. The diligent attempt may be made by telephone or in person.

The Board then proposes to amend the second unnumbered paragraph of the subparagraphs to remove the reference to the winter moratorium. The second unnumbered paragraph requires a resident who is not the customer to be given 48 hours notice of disconnection; this requirement should apply to all times of the year, not just the winter moratorium.

The Board is proposing an amendment to 19.4(15)"d"(7) and 20.4(15)"d"(8) to make it clear that the temperature trigger below which a customer cannot be disconnected is triggered at 20 degrees Fahrenheit rather than "below 20 degrees Fahrenheit."

The Board is proposing to amend subparagraph 19.4(15)"d"(8) and 20.4(15)"d"(9) to specify that a customer who has an especial health condition and who has the disconnection of utility service postponed due to that condition can only receive a single 30-day extension of the postponement, for a total postponement of 60 days.

The Board is also proposing to add subparagraphs 19.4(15)"d"(10) and 20.4(15)"d"(11) that would allow a utility to place service in the name of a resident who is certified for energy assistance during the winter moratorium when the customer of record asks the utility to terminate service. The proposed amendments address the situation where, for example, a landlord is the customer of record for a rental unit and then wishes to terminate service during the winter, but the tenant is certified for energy assistance. Under current Board decisions, the landlord would have to retain service and would continue to be responsible for any usage. Under the proposed amendments, the utility could switch the service to the certified tenant, who would then be responsible for the account.

19.4(15)"f" and 20.4(15)"f"

These paragraphs address disconnections for failure to comply with the terms of a payment agreement. The Board is adding an exception where the customer

agrees to another payment agreement and the Board proposes to delete subparagraphs (1) and (2). The provisions in subparagraphs (1) and (2) are also found in subparagraphs 19.4(15)"d"(4) and 20.4(15)"d"(5) discussed above. These provisions need not appear in two places and the Board is adding language to the two paragraphs that any disconnection under the provisions of paragraphs 19.4(15)"f" and 20.4(15)"f", the utility must comply with the provisions in subparagraphs 19.4(15)"d"(4) and 20.4(15)"d"(5) before it can disconnect.

19.4(16) and 20.4(16)

The Board is proposing to amend subrules 19.4(16) and 20.4(16) to add a new paragraph "h" to each subrule, adding an additional circumstance to the list of insufficient reasons for disconnecting service. The new paragraph provides that service cannot be disconnected where an occupant of a premise may be in default of payment for utility service if the customer applying for service meets the utility's requirements for creditworthiness and deposits. This will clarify utility obligations in situations where an occupant residing in a premise owes a debt to the utility but another occupant or a third party, who is qualified to receive service, is willing to be responsible for service at the premise.

These amendments should help the Board and utilities provide more protection to low income lowans and clarify some of the existing consumer service rules. As indicated above, the Board will be proposing additional amendments once it has reviewed possible solutions to increasing the coverage of the winter moratorium established by Iowa Code § 476.20.

To help the Board understand the costs of the proposed amendments, the utilities are asked to provide estimates of any additional costs that might be generated by the proposed amendments. These estimates may be filed with the utilities' comments in this docket.

IT IS THEREFORE ORDERED:

1. A rule making proceeding identified as Docket No. RMU-04-2, is commenced for the purpose of receiving comments on the proposed repeal in the notice attached hereto and incorporated herein by reference in this order.

2. The Executive Secretary is directed to submit for publication in the Iowa Administrative Bulletin a notice in the form attached to and incorporated by reference in this order.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 21st day of May, 2004.

UTILITIES DIVISION [199]

Notice of Intended Action

Pursuant to Iowa Code sections 17A.4, 476.1, 476.2, and 476.20 the Utilities Board (Board) gives notice that on May 21, 2004, the Board issued an order in Docket No. RMU-04-2, In re: Revisions to Consumer Services Rules [199 IAC 19.4(10), 19.4(13), 19.4(15), 19.4(16), 20.4(11), 20.4(13), 20.4(15), and 20.4(16)], "Order Commencing Rule Making." The proposed amendments are the result of a review conducted by the Board to address issues facing consumers who cannot pay their utility bills. The proposed amendments also address issues related to second payment agreements raised in Docket No. RMU-03-12, by the Consumer Advocate Division of the Department of Justice. The order containing the background and support for the proposed amendments can be found on the Board's Web site, www.state.ia.us/iub.

Pursuant to Iowa Code section 17A.4(1)"a" and "b," any interested person may file a written statement of position pertaining to the proposed amendments. The statement must be filed on or before June 29, 2004, by filing an original and ten copies in a form substantially complying with 199 IAC 2.2(2). Utilities are requested to provide an estimate of any additional costs they believe will be generated by the proposed amendments. All written statements should clearly state the author's name and address and should make specific reference to this docket. All

communications should be directed to the Executive Secretary, Utilities Board, 350 Maple Street, Des Moines, Iowa 50319-0069.

A public hearing to receive oral comments on the proposed amendments will be held at 9 a.m. on July 16, 2004, in the Board's hearing room at the address listed above. Persons with disabilities who require assistive services or devices to observe or participate should contact the Utilities Board at (515) 281-5256 in advance of the scheduled date to request that appropriate arrangements be made.

These amendments are intended to implement Iowa Code sections 17A.4, 476.1, 476.2, and 476.20.

The following amendments are proposed.

Item 1. Amend subrule **19.4(10)** as follows:

19.4(10) Payment agreements.

a. Availability of a first payment agreement. When a residential customer cannot pay in full a delinquent bill for utility service or has an outstanding debt to the utility for residential utility service and is not in default of a payment agreement with the utility, a utility shall offer the customer an opportunity to enter into a reasonable payment agreement.

b. Reasonableness. Whether a payment agreement is reasonable will be determined by considering the current household income, ability to pay, payment history including prior defaults on similar agreements, the size of the bill, the amount of time and the reasons why the bill has been outstanding, and any special circumstances creating extreme hardships within the household. The utility may

require the person to confirm financial difficulty with an acknowledgment from the department of human services or another agency.

c. Terms of payment agreements.

(1) First agreement. The utility shall offer customers who have received a disconnection notice or have been disconnected for 120 days or less and who are not in default of a payment agreement the option of spreading payments evenly over at least 12 months by paying specific amounts at scheduled times. The utility shall offer customers who have been disconnected for more than 120 days and who are not in default of a payment agreement the option of spreading payments evenly over at least six months by paying specific amounts at scheduled times.

~~(2)~~1. The agreement shall also include provision for payment of the current account. The agreement negotiations and periodic payment terms shall comply with tariff provisions which are consistent with these rules. The utility may also require the customer to enter into a level payment plan to pay the current bill.

~~(3)~~2. When the customer makes the agreement in person, a signed copy of the agreement shall be provided to the customer.

~~(4)~~3. The utility may offer the customer the option of making the agreement over the telephone or through electronic transmission. When the customer makes the agreement over the telephone or through electronic transmission, the utility ~~will~~ shall render to the customer a written document reflecting the terms and conditions of the agreement within three days of the date the parties entered into the oral agreement or electronic agreement. The document will be considered rendered to the customer when addressed to the customer's last-known address and deposited in the U.S.

mail with postage prepaid. If delivery is by other than U.S. mail, the document shall be considered rendered to the customer when delivered to the last-known address of the person responsible for payment for the service. The document shall state that unless the customer notifies the utility within ten days from the date the document is rendered, it will be deemed that the customer accepts the terms as reflected in the written document. The document stating the terms and agreements shall include the address and a toll-free or collect telephone number where a qualified representative can be reached. By making the first payment, the customer confirms acceptance of the terms of the oral agreement or electronic agreement.

4. Each customer entering into a first payment agreement shall be granted at least one complete forgiveness for a payment made five days or less beyond the due date for payment and the first payment agreement shall be reinstated.

~~(52) Second payment agreement. If a customer has retained service from November 1 through April 1 but is in default of a payment agreement, the utility may offer the customer a second payment agreement that will divide the past-due amount into equal monthly payments with the final payment due by the fifteenth day of the next October.~~ The utility shall offer a second payment agreement to a customer who is in default of a first payment agreement if the customer has made at least two payments under the first payment agreement or has paid at least 33 percent of the balance owed under the first payment agreement, whichever is the greater amount. The monthly payment under the second payment agreement shall not be more than the monthly payment under the first payment agreement. The customer shall be required to pay for current service in addition to the monthly

payments under the second payment agreement and may be required to make the first payment up-front as a condition of entering into the second payment agreement.

The utility may require the customer to enter into a level payment plan to pay the current bill. The utility may offer additional payment agreements to the customer.

d. No change.

Item 2. Amend paragraph **19.4(13)"e"** as follows:

e. When a customer has been undercharged as a result of incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection of the meter, or other similar reasons, the amount of the undercharge may be billed to the customer. The ~~time~~ period for which the utility may adjust for the undercharge shall not exceed five years unless otherwise ordered by the board. The maximum back bill shall not exceed the dollar amount equivalent to the tariffed rate ~~billing~~ for like charges (e.g., usage-based, fixed or service charges) in the 12 months preceding discovery of the error unless otherwise ordered by the board.

Item 3. Amend subparagraph **19.4(15)"d"** as follows:

(1) No change.

(2) Given the customer, and any other person or agency designated by the customer, written notice that the customer has at least 12 days in which to make settlement of the account to avoid disconnection and a written summary of the rights and ~~remedies~~ responsibilities available. Customers billed more frequently than monthly pursuant to subrule 19.3(7) shall be given posted written notice that they have 24 hours to make settlement of the account to avoid disconnection and a written summary of the rights and ~~remedies~~ responsibilities. All written notices shall

include a toll-free or collect telephone number where a utility representative qualified to provide additional information about the disconnection can be reached. Each utility representative must provide the representative's name and have immediate access to current, detailed information concerning the customer's account and previous contacts with the utility.

(3) The summary of the rights and ~~remedies~~ responsibilities must be approved by the Board. Any utility providing gas service and defined as a public utility in Iowa Code section 476.1 which does not use the standard form set forth below for customers billed monthly shall submit to the board an original and six copies of its proposed form for approval. A utility billing a combination customer for both gas and electric service may modify the standard form to replace each use of the word "gas" with the words "gas and electric electricity" in all instances.

Customer Rights & Remedies Responsibilities to Avoid Avoiding Shut Off of Gas Service for Nonpayment

1. What can I do if I receive a notice from the utility that says my gas service will be shut off because I have a past due bill?

- a. Pay the bill in full; or
- b. Enter into a reasonable payment plan with the utility (see #2 below); or
- c. Apply for and become eligible for low-income energy assistance (see #3 below); or
- d. Give the utility a written statement from a doctor or public health official stating that shutting off your gas would pose an especial health danger for a person living at the residence (see #4 below); or

- e. Tell the utility if you think part of the amount shown on the bill is wrong.

However, you must still pay the part of the bill you agree you owe the utility (see #5 below).

2. How do I go about making a reasonable payment plan? (Residential customers only)

- a. Contact the utility as soon as you know you cannot pay the amount you owe.

If you cannot pay all the money you owe at one time, the utility may offer you a payment plan that spreads payments evenly over at least 12 months. The plan may be longer depending on your financial situation.

- b. If you have not made the payments you promised in a previous payment plan with the utility and still owe money, you may qualify for a second payment agreement under certain conditions ~~the utility may refuse to offer you another payment plan.~~

- c. If you do not make the payments you promise, the utility may shut off your utility service on one day's notice unless all the money you owe the utility is paid or you enter into another payment agreement. ~~If your utility service is shut off, the utility may refuse to offer you any further payment plans.~~

3. How do I apply for low-income energy assistance? (Residential customers only)

- a. Contact the local community action agency in your area (see attached list); or

- b. Contact the Division of Community Action Agencies at the Iowa Department of Human Rights, Lucas State Office Building, Des Moines, Iowa 50319; telephone (515)281-0859. To prevent disconnection, the utility must be contacted prior to disconnection of your service.

c. To avoid disconnection, you must apply for energy assistance before your service is shut off. Notify your utility that you may be eligible and have applied for energy assistance. Once your service has been disconnected, it will not be reconnected based on approval for energy assistance.

d. Being certified eligible for energy assistance will prevent you from being disconnected from November 1 through April 1.

4. What if someone living at the residence has a serious health condition? (Residential customers only)

Contact the utility if you believe this is the case. Contact your doctor or a public health official and ask the doctor or health official to contact the utility and state that shutting off your utility service would pose an especial health danger for a person living at your residence. The doctor or public health official must provide a written statement to the utility office within five days of when your doctor or public health official notifies the utility of the health condition; otherwise, your utility service may be shut off. If the utility receives this written statement, your service will not be shut off for 30 days. This 30-day delay is to allow you time to arrange payment of your utility bill or find other living arrangements. After 30 days, your service may be shut off if payment arrangements have not been made.

5. What should I do if I believe my bill is not correct?

You may dispute your utility bill. You must tell the utility that you dispute the bill. You must pay the part of the bill you think is correct. If you do this, the utility will not shut off your service for 45 days from the date the bill was mailed while you and the

utility work out the dispute over the part of the bill you think is incorrect. You may ask the Utilities Board for assistance in resolving the dispute. (See #9 below.)

6. When can the utility shut off my utility service because I have not paid my bill?

- a. Your utility can shut off service between the hours of 6 a.m. and 2 p.m., Monday through Friday.
- b. The utility will not shut off your service on nights, weekends, or holidays for nonpayment of a bill.
- c. The utility will not shut off your service if you enter into a reasonable payment plan to pay the overdue amount (see #2 above).
- d. The utility will not shut off your service if the temperature is forecasted to be ~~colder than~~ 20 degrees Fahrenheit or colder during the following 24-hour period, including the day your service is scheduled to be shut off.
- e. If you have qualified for low-income energy assistance, the utility cannot shut off your service ~~between~~ from November 1 ~~and~~ through April 1. However, you will still owe the utility for the service used during this time.
- f. The utility will not shut off your service if you have notified the utility that you dispute a portion of your bill and you pay the part of the bill that you agree is correct.

7. How will I be told the utility is going to shut off my gas service?

- a. You must be given a written notice at least 12 days before the utility service can be shut off for nonpayment. This notice will include the reason for shutting off your service.

b. If you have not made payments required by an agreed-upon payment plan, your service may be disconnected with only one day's notice.

c. The utility must also try to reach you by telephone or in person before it shuts off your service. ~~Between~~ From November 1 ~~and through~~ April 1, if the utility cannot reach you by telephone or in person, the utility will put a written notice on the door of your residence to tell you that your utility service will be shut off.

8. If service is shut off, when will it be turned back on?

a. The utility will turn your service back on if you pay the whole amount you owe or agree to a reasonable payment plan (see #2 above).

b. If you make your payment during regular business hours, or by 7 p.m. for utilities permitting such payment or other arrangements after regular business hours, the utility must make a reasonable effort to turn your service back on that day. If service cannot reasonably be turned on that same day, the utility must do it by 11 a.m. the next day.

c. The utility may charge you a fee to turn your service back on. Those fees may be higher in the evening or on weekends, so you may ask that your service be turned on during normal utility business hours.

9. Is there any other help available besides my utility?

If the utility has not been able to help you with your problem, you may contact the Utilities Board toll-free at 1-877-565-4450. You may also write the Utilities Board at 350 Maple Street, Des Moines, Iowa 50319-0069, or by E-mail at iubcustomer@iub.state.ia.us. Low-income customers may also be eligible for free legal assistance from Iowa Legal Aid, and may contact Legal Aid at 1-800-532-1275.

(4) When disconnecting service to a residence, made a diligent attempt to contact, by telephone or in person, the customer responsible for payment for service to the residence to inform the customer of the pending disconnection and the customer's rights and ~~remedies~~ responsibilities.; During the period November 1 to April 1, if the attempt at customer contact fails, the premises shall be posted at least one day prior to disconnection with a notice informing the customer of the pending disconnection and rights and remedies available to avoid disconnection.

If if an attempt at personal or telephone contact of the customer occupying a rental unit ~~which a utility knows or should know is a rental unit~~ has been unsuccessful, the landlord of the rental unit, if known, shall be contacted to determine if the customer is still in occupancy and, if so, the ~~their~~ customer's present location. The landlord shall also be informed of the date when service may be disconnected.

~~During the period November 1 to April 1, if the attempt at customer contact fails, the premises must be posted with a notice informing the customer of the pending disconnection and rights and remedies available to avoid disconnection, at least one day prior to disconnection;~~ if If the disconnection will affect occupants of residential units leased from the customer, the premises of any building known by the utility to contain residential units affected by disconnection must be posted, at least two days prior to disconnection, with a notice informing any occupants of the date when service will be disconnected and the reasons ~~therefore~~ for the disconnection.

(5) and (6) No change.

(7) Severe cold weather. A disconnection may not take place where gas is used as the only source of space heating or to control or operate the only space heating equipment at the residence on any day when the National Weather Service forecast for the following 24 hours covering the area in which the residence is located includes a forecast that the temperature will ~~go below~~ be 20 degrees Fahrenheit or lower. In any case where the utility has posted a disconnect notice in compliance with subparagraph 19.4(15)"d"(4) but is precluded from disconnecting service because of a National Weather Service forecast, the utility may immediately proceed with appropriate disconnection procedures, without further notice, when the temperature in the area where the residence is located rises ~~to~~ above 20 degrees Fahrenheit and is forecasted to be above 20 degrees Fahrenheit for at least 24 hours, unless the customer has paid in full the past due amount or is entitled to postponement of disconnection under some other provision of paragraph 19.4(15)"d."

(8) Health of a resident. Disconnection of a residential customer shall be postponed if the disconnection of service would present an especial danger to the health of any permanent resident of the premises. An especial danger to health is indicated if a person appears to be seriously impaired and may, because of mental or physical problems, be unable to manage the person's own resources, to carry out activities of daily living or to be protected from neglect or hazardous situations without assistance from others. Indicators of an especial danger to health include but are not limited to: age, infirmity, or mental incapacitation; serious illness; physical disability, including blindness and limited mobility, and any other factual

circumstances which indicate a severe or hazardous health situation. The utility may require written verification of the especial danger to health by a physician or a public health official, including the name of the person endangered; a statement that the person is a resident of the premises in question; the name, business address, and telephone number of the certifying party; the nature of the health danger; and approximately how long the danger will continue. Initial verification by the verifying party may be by telephone if written verification is forwarded to the utility within 5 days. Verification shall postpone disconnection for 30 days; ~~however, the postponement~~ Disconnection may be postponed extended no more than one time for one additional 30-day period by a renewal of the verification. In the event service is terminated within 14 days prior to verification of illness by or for a qualifying resident, service shall be restored to that residence if a proper verification is thereafter made in accordance with the foregoing provisions. If the customer does not enter into a reasonable payment agreement for the retirement of the unpaid balance of the account within the first 30 days and does not keep the current account paid during the period that the unpaid balance is to be retired, the customer is subject to disconnection pursuant to paragraph 19.4(15)"f."

(9) No change.

(10) At a premise where the customer of record is not an occupant and where a person resides who is not the customer of record and who is protected from disconnection of utility service under these rules from November 1 through April 1, the service may be terminated by the customer of record and placed in the name of

the protected person unless other arrangements are made within 10 days of the request by the customer of record.

Item 4. Amend paragraph **19.4(15)"f"** as follows:

f. A utility may disconnect gas service without written 12-day notice for failure of the customer to comply with the terms of a payment agreement, except as provided in numbered paragraph 19.4(10)"c"(1)"4," provided that the utility complies with the provisions of paragraph 19.4(15)"d."

~~(1) In the case of a customer owning or occupying a residential unit that will be affected by disconnection, the utility has made a diligent attempt, at least one day prior to disconnection, to contact the customer by telephone or in person to inform the customer of the pending disconnection and the customer's rights and remedies. If an attempt at personal or telephone contact of the customer occupying a unit which a utility knows or should know is a rental unit has been unsuccessful, the landlord of the rental unit, if known, shall be contacted to determine if the customer is still in occupancy and, if so, the customer's present location. The landlord shall also be informed of the date when service may be disconnected.~~

~~(2) During the period November 1 to April 1, if the attempt at customer contact fails, the premises must be posted with a notice informing the customer of the pending disconnection and rights and remedies available to avoid disconnection at least one day prior to disconnection. If the disconnection will affect occupants of residential units leased from the customer, the premises of any building known by the utility to contain residential units affected by disconnection must be posted, at least two days prior to disconnection, with any notice informing any occupants of the~~

~~date when service will be disconnected and the reasons therefore. Disconnection is subject to the provisions of paragraph 19.4(15)"d."~~

Item 5. Amend subrule **19.4(16)** by adding a new paragraph "h" as follows:

h. ~~Rescinded IAB 4/15/92, effective 5/20/92.~~ Delinquency in payment for service by an occupant, if the customer applying for service is credit worthy and able to satisfy any deposit requirements.

Item 6. Amend subrule **20.4(11)** as follows:

20.4(11) Payment agreements.

a. Availability of a first payment agreement. When a residential customer cannot pay in full a delinquent bill for utility service or has an outstanding debt to the utility for residential utility service and is not in default of a payment agreement with the utility, a utility shall offer the customer an opportunity to enter into a reasonable payment agreement.

b. Reasonableness. Whether a payment agreement is reasonable will be determined by considering the current household income, ability to pay, payment history including prior defaults on similar agreements, the size of the bill, the amount of time and the reasons why the bill has been outstanding, and any special circumstances creating extreme hardships within the household. The utility may require the person to confirm financial difficulty with an acknowledgment from the department of human services or another agency.

c. Terms of payment agreements.

(1) First agreement. The utility shall offer customers who have received a disconnection notice or have been disconnected for 120 days or less and who are

not in default of a payment agreement the option of spreading payments evenly over at least 12 months by paying specific amounts at scheduled times. The utility shall offer customers who have been disconnected for more than 120 days and who are not in default of a payment agreement the option of spreading payments evenly over at least six months by paying specific amounts at scheduled times.

~~(2)~~1. The agreement shall also include provision for payment of the current account. The agreement negotiations and periodic payment terms shall comply with tariff provisions which are consistent with these rules. The utility may also require the customer to enter into a level payment plan to pay the current bill.

~~(3)~~2. When the customer makes the agreement in person, a signed copy of the agreement shall be provided to the customer.

~~(4)~~3. The utility may offer the customer the option of making the agreement over the telephone or through electronic transmission. When the customer makes the agreement over the telephone or through electronic transmission, the utility ~~will~~ shall render to the customer a written document reflecting the terms and conditions of the agreement within three days of the date the parties entered into the oral agreement or electronic agreement. The document will be considered rendered to the customer when addressed to the customer's last-known address and deposited in the U.S. mail with postage prepaid. If delivery is by other than U.S. mail, the document shall be considered rendered to the customer when delivered to the last-known address of the person responsible for payment for the service. The document shall state that unless the customer notifies the utility within ten days from the date the document is rendered, it will be deemed that the customer accepts the terms as reflected in the

written document. The document stating the terms and agreements shall include the address and a toll-free or collect telephone number where a qualified representative can be reached. By making the first payment, the customer confirms acceptance of the terms of the oral agreement or electronic agreement.

4. Each customer entering into a first payment agreement shall be granted at least one complete forgiveness for a payment made five days or less beyond the due date for payment and the first payment agreement shall be reinstated.

~~(52) Second payment agreement. If a customer has retained service from November 1 through April 1 but is in default of a payment agreement, the utility may offer the customer a second payment agreement that will divide the past due amount into equal monthly payments with the final payment due by the fifteenth day of the next October.~~ The utility shall offer a second payment agreement to a customer who is in default of a first payment agreement if the customer has made at least two payments under the first payment agreement or has paid at least 33 percent of the balance owed under the first payment agreement, whichever is the greater amount. The monthly payment under the second payment agreement shall not be more than the monthly payment under the first payment agreement. The customer shall be required to pay for current service in addition to the monthly payments under the second payment agreement and may be required to make the first payment up-front as a condition of entering into the second payment agreement.

The utility may require the customer to enter into a level payment plan to pay the current bill. The utility may offer additional payment agreements to the customer.

d. No change.

Item 7. Amend paragraph **20.4(14)"f"** as follows:

e. When a customer has been undercharged as a result of incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection of the meter, or other similar reasons, the amount of the undercharge may be billed to the customer. The ~~time~~ period for which the utility may adjust for the undercharge shall not exceed five years unless otherwise ordered by the board. The maximum back bill shall not exceed the dollar amount equivalent to the tariffed rate ~~billing~~ for like charges (e.g., usage-based, fixed or service charges) in the 12 months preceding discovery of the error unless otherwise ordered by the board.

Item 8. Amend paragraph **20.4(15)"d"** as follows:

(1) No change.

(2) Given the customer, and any other person or agency designated by the customer, written notice that the customer has at least 12 days in which to make settlement of the account to avoid disconnection and a written summary of the rights and ~~remedies~~ responsibilities available. Customers billed more frequently than monthly pursuant to subrule 20.3(6) shall be given posted written notice that they have 24 hours to make settlement of the account to avoid disconnection and a written summary of the rights and ~~remedies~~ responsibilities. All written notices shall include a toll-free or collect telephone number where a utility representative qualified to provide additional information about the disconnection can be reached. Each utility representative must provide the representative's name and have immediate access to current, detailed information concerning the customer's account and previous contacts with the utility.

(3) The summary of the rights and ~~remedies~~ responsibilities must be approved by the Board. Any utility providing gas service and defined as a public utility in Iowa Code section 476.1 which does not use the standard form set forth below for customers billed monthly shall submit to the board an original and six copies of its proposed form for approval. A utility billing a combination customer for both gas and electric service may modify the standard form to replace each use of the word “electric” with the words “gas and electric electricity” in all instances.

Customer Rights & Remedies Responsibilities to Avoid ~~Avoiding~~ Shut Off of Electric Service for Nonpayment

1. What can I do if I receive a notice from the utility that says my service will be shut off because I have a past due bill?

- a. Pay the bill in full; or
- b. Enter into a reasonable payment plan with the utility (see #2 below); or
- c. Apply for and become eligible for low-income energy assistance (see #3 below); or
- d. Give the utility a written statement from a doctor or public health official stating that shutting off your gas would pose an especial health danger for a person living at the residence (see #4 below); or
- e. Tell the utility if you think part of the amount shown on the bill is wrong.

However, you must still pay the part of the bill you agree you owe the utility (see #5 below).

2. How do I go about making a reasonable payment plan? (Residential customers only)

- a. Contact the utility as soon as you know you cannot pay the amount you owe.

If you cannot pay all the money you owe at one time, the utility may offer you a payment plan that spreads payments evenly over at least 12 months. The plan may be longer depending on your financial situation.

- b. If you have not made the payments you promised in a previous payment plan with the utility and still owe money, you may qualify for a second payment agreement under certain conditions ~~the utility may refuse to offer you another payment plan.~~

- c. If you do not make the payments you promise, the utility may shut off your utility service on one day's notice unless all the money you owe the utility is paid or you enter into another payment agreement. ~~If your utility service is shut off, the utility may refuse to offer you any further payment plans.~~

3. How do I apply for low-income energy assistance? (Residential customers only)

- a. Contact the local community action agency in your area (see attached list); or

- b. Contact the Division of Community Action Agencies at the Iowa Department of Human Rights, Lucas State Office Building, Des Moines, Iowa 50319; telephone (515)281-0859. To prevent disconnection, the utility must be contacted prior to disconnection of your service.

- c. To avoid disconnection, you must apply for energy assistance before your service is shut off. Notify your utility that you may be eligible and have applied for energy assistance. Once your service has been disconnected, it will not be reconnected based on approval for energy assistance.

d. Being certified eligible for energy assistance will prevent you from being disconnected from November 1 through April 1.

4. What if someone living at the residence has a serious health condition? (Residential customers only)

Contact the utility if you believe this is the case. Contact your doctor or a public health official and ask the doctor or health official to contact the utility and state that shutting off your utility service would pose an especial health danger for a person living at your residence. The doctor or public health official must provide a written statement to the utility office within five days of when your doctor or public health official notifies the utility of the health condition; otherwise, your utility service may be shut off. If the utility receives this written statement, your service will not be shut off for 30 days. This 30-day delay is to allow you time to arrange payment of your utility bill or find other living arrangements. After 30 days, your service may be shut off if payment arrangements have not been made.

5. What should I do if I believe my bill is not correct?

You may dispute your utility bill. You must tell the utility that you dispute the bill. You must pay the part of the bill you think is correct. If you do this, the utility will not shut off your service for 45 days from the date the bill was mailed while you and the utility work out the dispute over the part of the bill you think is incorrect. You may ask the Utilities Board for assistance in resolving the dispute. (See #9 below.)

6. When can the utility shut off my utility service because I have not paid my bill?

a. Your utility can shut off service between the hours of 6 a.m. and 2 p.m., Monday through Friday.

- b. The utility will not shut off your service on nights, weekends, or holidays for nonpayment of a bill.
- c. The utility will not shut off your service if you enter into a reasonable payment plan to pay the overdue amount (see #2 above).
- d. The utility will not shut off your service if the temperature is forecasted to be ~~colder than~~ 20 degrees Fahrenheit or colder during the following 24-hour period, including the day your service is scheduled to be shut off.
- e. If you have qualified for low-income energy assistance, the utility cannot shut off your service ~~between~~ from November 1 ~~and~~ through April 1. However, you will still owe the utility for the service used during this time.
- f. The utility will not shut off your service if you have notified the utility that you dispute a portion of your bill and you pay the part of the bill that you agree is correct.

7. How will I be told the utility is going to shut off my service?

- a. You must be given a written notice at least 12 days before the utility service can be shut off for nonpayment. This notice will include the reason for shutting off your service.
- b. If you have not made payments required by an agreed-upon payment plan, your service may be disconnected with only one day's notice.
- c. The utility must also try to reach you by telephone or in person before it shuts off your service. ~~Between~~ From November 1 ~~and~~ through April 1, if the utility cannot reach you by telephone or in person, the utility will put a written notice on the door of your residence to tell you that your utility service will be shut off.

8. If service is shut off, when will it be turned back on?

a. The utility will turn your service back on if you pay the whole amount you owe or agree to a reasonable payment plan (see #2 above).

b. If you make your payment during regular business hours, or by 7 p.m. for utilities permitting such payment or other arrangements after regular business hours, the utility must make a reasonable effort to turn your service back on that day. If service cannot reasonably be turned on that same day, the utility must do it by 11 a.m. the next day.

c. The utility may charge you a fee to turn your service back on. Those fees may be higher in the evening or on weekends, so you may ask that your service be turned on during normal utility business hours.

9. Is there any other help available besides my utility?

If the utility has not been able to help you with your problem, you may contact the Utilities Board toll-free at 1-877-565-4450. You may also write the Utilities Board at 350 Maple Street, Des Moines, Iowa 50319-0069, or by E-mail at iubcustomer@iub.state.ia.us. Low-income customers may also be eligible for free legal assistance from Iowa Legal Aid, and may contact Legal Aid at 1-800-532-1275.

(4) No change.

(5) When disconnecting service to a residence, made a diligent attempt to contact, by telephone or in person, the customer responsible for payment for service to the residence to inform the customer of the pending disconnection and the customer's rights and ~~remedies~~ responsibilities; During the period November 1 to April 1, if the attempt at customer contact fails, the premises shall be posted at least

one day prior to disconnection with a notice informing the customer of the pending disconnection and rights and remedies available to avoid disconnection.

If if an attempt at personal or telephone contact of the customer occupying a rental unit ~~which a utility knows or should know is a rental unit~~ has been unsuccessful, the landlord of the rental unit, if known, shall be contacted to determine if the customer is still in occupancy and, if so, the ~~their~~ customer's present location. The landlord shall also be informed of the date when service may be disconnected.

~~During the period November 1 to April 1, if the attempt at customer contact fails, the premises must be posted with a notice informing the customer of the pending disconnection and rights and remedies available to avoid disconnection, at least one day prior to disconnection;~~ if If the disconnection will affect occupants of residential units leased from the customer, the premises of any building known by the utility to contain residential units affected by disconnection must be posted, at least two days prior to disconnection, with a notice informing any occupants of the date when service will be disconnected and the reasons ~~therefore~~ for the disconnection.

(6) and (7) No change.

(8) Severe cold weather. A disconnection may not take place where gas is used as the only source of space heating or to control or operate the only space heating equipment at the residence on any day when the National Weather Service forecast for the following 24 hours covering the area in which the residence is located includes a forecast that the temperature will ~~go below~~ be 20 degrees Fahrenheit or lower. In any case where the utility has posted a disconnect notice in compliance

with subparagraph 20.4(15)"d"(5) but is precluded from disconnecting service because of a National Weather Service forecast, the utility may immediately proceed with appropriate disconnection procedures, without further notice, when the temperature in the area where the residence is located rises to above 20 degrees Fahrenheit and is forecasted to be above 20 degrees Fahrenheit for at least 24 hours, unless the customer has paid in full the past due amount or is entitled to postponement of disconnection under some other provision of paragraph 20.4(15)"d."

(9) Health of a resident. Disconnection of a residential customer shall be postponed if the disconnection of service would present an especial danger to the health of any permanent resident of the premises. An especial danger to health is indicated if a person appears to be seriously impaired and may, because of mental or physical problems, be unable to manage the person's own resources, to carry out activities of daily living or to be protected from neglect or hazardous situations without assistance from others. Indicators of an especial danger to health include but are not limited to: age, infirmity, or mental incapacitation; serious illness; physical disability, including blindness and limited mobility, and any other factual circumstances which indicate a severe or hazardous health situation. The utility may require written verification of the especial danger to health by a physician or a public health official, including the name of the person endangered; a statement that the person is a resident of the premises in question; the name, business address, and telephone number of the certifying party; the nature of the health danger; and approximately how long the danger will continue. Initial verification by the verifying

party may be by telephone if written verification is forwarded to the utility within 5 days. Verification shall postpone disconnection for 30 days. ~~however, the postponement~~ Disconnection may be postponed ~~extended no more than one time for one additional 30-day period~~ by a renewal of the verification. In the event service is terminated within 14 days prior to verification of illness by or for a qualifying resident, service shall be restored to that residence if a proper verification is thereafter made in accordance with the foregoing provisions. If the customer does not enter into a reasonable payment agreement for the retirement of the unpaid balance of the account within the first 30 days and does not keep the current account paid during the period that the unpaid balance is to be retired, the customer is subject to disconnection pursuant to paragraph 20.4(15)"f."

(10) No change.

(11) At a premise where the customer of record is not an occupant and where a person resides who is not the customer of record and who is protected from disconnection of utility service under these rules from November 1 through April 1, the service may be terminated by the customer of record and placed in the name of the protected person unless other arrangements are made within 10 days of the request by the customer of record.

Item 10. Amend paragraph **20.4(15)"f"** as follows:

f. A utility may disconnect electric service without written 12-day notice for failure of the customer to comply with the terms of a payment agreement, except as provided in numbered paragraph 20.4(10)"c"(1)"4," provided the utility complies with the provisions of subparagraph 20.4(15)"d"(5). ~~that:~~

~~(1) In the case of a customer owning or occupying a residential unit that will be affected by disconnection, the utility has made a diligent attempt, at least one day prior to disconnection, to contact the customer by telephone or in person to inform the customer of the pending disconnection and the customer's right and remedies. If an attempt at personal or telephone contact of the customer occupying a unit which a utility knows or should know is a rental unit has been unsuccessful, the landlord of the rental unit, if known, shall be contacted to determine if the customer is still in occupancy and, if so, the customer's present location. The landlord shall also be informed of the date when service may be disconnected.~~

~~(2) During the period November 1 to April 1, if the attempt at customer contact fails, the premises must be posted with a notice informing the customer of the pending disconnection and rights and remedies available to avoid disconnection at least one day prior to disconnection. If the disconnection will affect occupants of residential units leased from the customer, the premises of any building known by the utility to contain residential units affected by disconnection must be posted, at least two days prior to disconnection, with any notice informing any occupants of the date when service will be disconnected and the reasons therefore. Disconnection is subject to the provisions of paragraph 20.4(15)"d."~~

Item 11. Amend subrule **20.4(16)** by adding a new paragraph "h" as follows:

h. ~~Rescinded IAB 4/15/92, effective 5/20/92.~~ Delinquency in payment for service by an occupant if the customer applying for service is credit worthy and able to satisfy any deposit requirements.

This rule is intended to implement Iowa Code sections 476.1, 476.2, and 476.20.

May 21, 2004

/s/ Diane Munns

Diane Munns
Chairman